

TESTIMONY BEFORE THE HOUSING COMMITTEE

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FEBRUARY 28, 2023**

Senator Moore, Representative Luxenberg, Senator Sampson, Representative Scott, and members of the committee, my name is Sean Ghio, and I am Senior Policy Advisor at the Partnership for Strong Communities. We are a statewide nonprofit policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice. Thank you for the opportunity to submit testimony on several bills before you today.

We ask the committee to support the following bills with amendments:

H.B. 6781 – AN ACT ADDRESSING HOUSING AFFORDABILITY FOR RESIDENTS IN THE STATE.

We support the many proposed policy changes included in H.B. 6781 that would expand housing creation, protect tenants, and improve housing security. We support the bill's provisions that strengthen pre-tenancy inspection processes, housing quality and safety measures, good cause tenant protections, and limit the impact an eviction may have on a tenant's ability to rent in the future. We also support changes to some housing programs policy and funding such as creating a common application for families seeking affordable housing, and directing resources to the state's homeless crisis response system.

We are grateful that the bill includes two priorities of Partnership for Strong Communities, and the HOMEConnecticut Campaign – increased funding to the Rental Assistance Program and funding to support housing inspection programs. We ask the committee to consider the following amendments to the bill regarding these programs:

Amend Section 37 of the bill to include an additional \$72 million in both FY24 & 25 to the DOH Housing/Homeless Services line to expand the general Rental Assistance Program (RAP) and include an additional \$5 million to the DOH Housing/Homeless Services line for housing navigation services to assist voucher recipients with finding homes.

Connecticut housing costs have long been unaffordable to a large portion of the population, with costs continuing to rise for both renter and owner households. In 2022, the average cost of purchasing a home increased 14%, while the cost of renting increased over 15%. Housing cost-burden disproportionately impacts communities of color, with 56% of black renters identifying as housing cost-burdened while only making up 12% of CT's population.

According to the National Low Income Housing Coalition's (NLIHC) most recent [Out of Reach report](#), the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,446. For a household to afford rent and utilities at this level without paying more than 30% of their income on housing, a household must earn \$4,818/month or \$57,820/year. The report indicates that approximately 30% of renter households are below 30% of the Area Median Income (AMI) and 49% of renter households in the state are below 50% AMI in CT (approximately \$63,000 annually for a family of four). The need for rental assistance is becoming more and more of a necessity for a growing number of Connecticut's renters as household budgets are being constrained for many individuals and families.

RAP vouchers are a vital tool to improve housing security and assist severely cost-burdened renters struggling with the state's high housing costs. [For every \\$10 million invested, the RAP program supports approximately 665 households in finding affordable housing.](#) The program currently serves approximately 5,600 households with a closed waitlist of more than 3,400. That waitlist has not been reopened in many years. It is important to remember that like Connecticut's federal Section 8 allocation, our RAP funding is a pool of funds – not a set number of vouchers. Thus, with rents continuing to rise across the state, the allocation for RAP, set in 2014, serves fewer and fewer households each year.

RAP vouchers are the most flexible tool we have to house low-income households. Unlike brick and mortar affordable housing properties, a tenant can take a RAP voucher anywhere in Connecticut that is best for them to rent – near family or work for example. This can ease other costs for a family like transportation and childcare. All homes where a voucher is used must also go through an inspection to ensure basic health and safety standards are met. A smaller percentage of RAP vouchers are also used to help finance affordable housing projects. Often they can help make a home that is set for a household at say, 80% of AMI, affordable for a household at a lower income level. Additionally, RAP vouchers insulate households from fluctuations in income. A RAP voucher pays the difference between 30-40% of the household income and the fair market rent for the rental area. Thus, as household income goes up, the voucher pays less of rental costs. If household income goes down, the family goes through an income recertification process and the voucher pays more. This flexibility was most helpful during the recent covid-19 pandemic. Where lower-wage workers lost income, their voucher ensured that their housing remained stable – avoiding a situation where they built up arrearages. The UniteCT program did not need to include voucher holders for this reason.

The UniteCT rental relief program also revealed just how many households in Connecticut are eligible for a RAP voucher but don't have one. Those low-income households unsupported by a housing subsidy, had few options when they lost income during the pandemic. UniteCT was oversubscribed and helped thousands of families pay arrearages – most of them were eligible for a RAP voucher but none had one. Those households continue to struggle today amid rents that have risen more than 20% in the last two years. Many of these households are paying more than 50% of their income on rent – leaving little reserves left over for other necessities and putting them at great risk of eviction and homelessness. For these families, many of whom are on subsidy waiting lists, a voucher means they would remain stably housed (perhaps in the home they



currently occupy) – protecting their health and safety and increasing their ability to pay for other necessary expenses or save funds.

Given the increasingly tight rental market and lack of sufficient housing supply, it is no surprise that tenants who receive a voucher have had a difficult time finding a home over the past couple of years, however additional RAP funds are a much-needed investment that will not go to waste and can also be used in homes tenants already occupy. Connecticut's rental vacancy rate was at 2% during the third quarter of 2022. When a family has the devastating experience of not being able to find an eligible home once they receive a voucher after years of waiting, those funds are not wasted but do go to the next household on the wait list. Thus, RAP funds invested by the state do not go unused. Furthermore, adding \$5 million over the biennium to provide housing navigation and mobility services would go a long way in helping families find a suitable home. Currently, limited resources for this purpose mean most families are left to find a home on their own. In this difficult marketplace and often with limited time and transportation, leaving low-income households to navigate on their own is often setting them up for failure. This additional small investment would reduce the likelihood that a family loses the opportunity to find housing stability through a RAP voucher.

More details and information on this proposal can be accessed [here](#).

To ensure everyone in Connecticut has a safe affordable home, housing vouchers should ideally be available to every household that needs one. This would increase housing stability and create rental income stability for participating property owners. Universal vouchers could be the key to finally ending homelessness here. Connecticut, however, is falling farther and farther behind on that goal every year we choose not to increase our RAP allocation. We know that housing vouchers are a proven effective, equitable way to ensure households in need remain stably housed. Further, they provide a wide range of positive social and market-based impacts.

In expanding funding for the program, research indicates the benefits to households can include:

- A reduction in housing instability and homelessness,
- A reduction in poverty and allowing households to afford other necessities,
- A reduction in racial disparities,
- Improvement in health, development and educational outcomes for children, and
- Improvement in the quality of existing naturally occurring affordable housing (NOAH) stock in the state through required inspections.

For additional information on the intent, need for and impact of the Rental Assistance Program, you can access a policy brief [here](#).

Amend Section 41 of the bill to include \$5 million to support additional housing inspection and enforcement capacity in municipalities that have a proactive residential rental licensing or inspection program – Hartford and New Haven are two existing examples.



The creation of a \$5 million pilot program to support additional housing inspection capacity and enforcement in municipalities with a proactive residential rental licensing or inspection program that require regular inspections without the need for tenants' complaints and ensure landlords' compliance with local health and housing code ordinances. Much of CT's multifamily housing is old and in disrepair, leaving low-income tenants vulnerable to negative health and safety consequences. These conditions often go unreported, and citations go unenforced as the common current practice is that tenants are responsible for submitting complaints regarding unsafe or unhealthy living conditions.

When municipalities put the burden of reporting housing code violations on tenants, they put tenants – especially low and moderate income households, in a precarious position. Where Connecticut currently has one of the lowest rental vacancy rates in the country, tenants are unlikely to risk losing their housing as a result of retaliation by landlords – either illegal or through no-cause evictions.

Some cities, however, have enacted proactive residential rental licensing regimes or similar programs which require the city to work with landlords to inspect rental properties on a regular basis for a fee in exchange for documentation that the property is safe to rent. These types of programs take the onus off tenants to monitor the state of our rental housing stock and ensure a fair and equitable approach with landlords to ensuring housing quality and safety. Such regimes have the added benefit of preventing other cost burdens on municipalities including relocation costs due to emergency evacuations and preventable fires. In short, such regimes can save lives, prevent property loss/damage, and increase housing security.

In cities that depend on tenants to complain about their housing conditions, fewer inspectors and less enforcement capacity is needed as tenants chronically underreport violations. For cities that have codified proactive residential rental licensing or inspection regimes, however, additional inspectors and enforcement capacity may be needed to ensure landlord compliance and follow through on cited violations. A program of \$2.5 million per year would provide for additional staff and resources to help ensure towns and municipalities with such regimes have the proactive capacity to respond in a timely and on-going manner to resolve housing quality and safety concerns. Such an investment would also serve as an incentive for other municipalities to review their existing housing code compliance practices to determine how they can take the burden off tenants and better monitor their rental stock for health and safety issues and prevent emergencies and housing insecurity.

More details and information on this proposal can be accessed [here](#).

These investments are necessary for Connecticut to support in the coming years to address the rising housing insecurity and inequity that continues to burden residents and families in our state and to support municipalities in maintaining our vital rental housing stock. Thank you for your time and consideration regarding these crucial investments to create safety and stability for CT households.

We also ask the committee to amend Section 26 (l)(6)(H) to remove modifications to Section 8-30g that would award one-half HUE point toward a moratorium for each unit of middle housing developed as of right within one quarter mile of a transit district. Under existing law only housing with subsidy or deed restrictions that maintain affordability are counted toward a moratorium or exemption from Section 8-30g. There is nothing intrinsic about middle housing that guarantees affordability outside of an income restriction maintained through subsidy or deed restriction. Indeed, many of these homes may be well above affordable levels in some markets. Others, given the age of Connecticut’s multifamily stock are in very poor condition and would not pass basic housing inspections required by most affordable housing subsidy programs.

Most properties that are deed restricted or otherwise subsidized to be affordable, as described in the current 8-30g statute are also subject to certain regulatory oversight that ensures ongoing affordability, availability to eligible occupants, and basic housing quality standards. This is especially true for rental homes. For example:

- Properties receiving subsidy undergo regular certification to ensure that the lease remains affordable each year as is defined in the statute.
- Properties receiving subsidy undergo regular income certification for tenants to ensure the unit is occupied by a household that meets the requisite income criteria.
- Properties receiving subsidy are also often required to undergo inspections to ensure the property meets basic health and safety standards.
- Eligible properties are available for purchase or rent to income qualified buyers/renters in a public marketplace to ensure that the unit remains an available resource for eligible households (not a unit that is shared/rented only to contacts or family members for example).
- Deed-restricted eligible properties are typically income-restricted for a period of between 15 and 40 years, ensuring that the unit remains affordable for multiple potential eligible occupants over many years. Homes subsidized by a tenant-based subsidy follow that renter as long as they are income-eligible before the subsidy is transferred to a new, eligible household.

As proposed, the bill would not provide similar protections for the residents of market-rate middle housing.

S.B. 4 – AN ACT CONCERNING CONNECTICUT'S PRESENT AND FUTURE HOUSING NEEDS.

We support the consideration of a package of measures such as rent regulation, a winter month eviction moratorium, limits on late charges, and housing code enforcement. Work to protect renters should be paired with policies to address our housing shortage and affordability crisis.

SB 4 also includes incentives to create workforce housing for community roles like firefighters, teachers, and police. We ask that the committee consider amending S.B. 4 to explicitly include lower wage workers in the definition of workforce. Many definitions of “workforce housing” ignore the fact that low-income and extremely low-income families make up a large portion of our



state's workforce and their contributions to their communities are also essential, and so are their housing needs. Workforce housing policies that set limits of area median income (AMI) at 60% and above for example, exclude a large portion of working families. A single parent with one child working full-time at a minimum wage job, for example, would make approximately \$31,200 annually. A "workforce housing" unit set at 60% AMI affordability levels (approximately \$80,000 annually in Stamford/Norwalk area and \$54,000 for the Hartford area) would be well out of reach for a working household. In the case of Fairfield County – even if this parent worked 80 hours a week, they would not be at 60% AMI – the targeted range for "workforce housing." Additionally, the conversations around "workforce housing" tend to ignore the fact that Connecticut's greatest housing needs by far are for those at 50% of AMI (or about \$63,000 annually for a household of 4 in Connecticut). For those at 30% of AMI, one-third of whom are working (the remainder are largely elderly or disabled and unable to work), the situation is the most dire, with only 42 of 100 rental units affordable to them.¹

Put another way, someone working full time at minimum wage makes \$31,200 annually and can afford a rent of no more than \$780/month. Full-time workers need to earn \$27.80 — nearly twice Connecticut's minimum wage— to afford a fairly priced two-bedroom apartment of about \$1,500 a month. Thus, efforts to focus on "workforce housing" must approach the structure of such investments and incentives with full understanding of the real working wages of many of Connecticut's households and with full consideration of where the deepest housing need is. Efforts to target higher income households, while well-intentioned, ignore Connecticut's true low-wage workforce and their housing needs.

Thank you for the opportunity to submit this testimony.

¹ [Out of Reach: | National Low Income Housing Coalition \(nlihc.org\)](http://OutofReach.org)

